

## HOUSE BILL NO. 410

INTRODUCED BY FACEY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ASSESSMENT AND TAXATION OF CERTAIN IMPROVEMENTS TO REAL PROPERTY; REQUIRING THAT THE OWNER REPORT OCCUPATION OR USE OF THE IMPROVEMENTS TO THE DEPARTMENT OF REVENUE; PROVIDING A PENALTY IF THE OWNER DOES NOT REPORT OCCUPATION OR USE OF THE IMPROVEMENTS; PROVIDING THAT THE OWNER OF THE IMPROVEMENTS MAY APPEAL THE VALUATION OF THE IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF PROPERTY TAXES; ~~PROVIDING THAT TAXES IMPOSED ON THE IMPROVEMENTS ARE NOT SUBJECT TO OTHER PENALTY AND INTEREST;~~ PROVIDING FOR THE EXPENDITURE OF REVENUE COLLECTED FROM TAXES ON CERTAIN IMPROVEMENTS TO REAL PROPERTY; ALLOWING A TAXPAYER A REDUCTION OF PROPERTY TAXES DUE FOR IMPROVEMENTS DEMOLISHED OR DESTROYED; PROVIDING FOR A REFUND OF TAXES PAID ON IMPROVEMENTS DEMOLISHED OR DESTROYED IN THE TAX YEAR; AMENDING SECTIONS 7-6-4006, 15-8-201, ~~15-10-420~~, 15-15-102, 15-16-102, 15-16-603, 20-9-161, AND 61-3-701, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION.** **Section 1. Assessment and taxation of certain improvements -- procedures -- penalty -- exceptions -- APPEAL.** (1) Except as provided in 15-24-1402, 15-24-1501, 15-24-1502, and subsection (8) (9) of this section, ~~residential and commercial improvements to all land, including additions to existing improvements, completed during the tax year that were not assessed or taxable as of the preceding January 1 or improvements that have become the property of a person subject to taxation must be assessed and taxed from the date of occupation or from the date on which the property is used for its intended purpose~~ IMPROVEMENTS CLASSIFIED UNDER 15-6-134 THAT ARE COMPLETED AFTER JANUARY 1 OF THE TAX YEAR MUST BE ASSESSED AND TAXED FROM THE DATE ON WHICH THE PROPERTY IS OCCUPIED OR THE PROPERTY IS PUT IN USE.

~~———— (2) (a) An owner of improvements described in subsection (1) shall, within 30 days of occupation or use of the improvements, notify the department that the improvements are occupied or in use. As soon as practical after receiving the notice, the department shall appraise the improvements as provided in Title 15, chapters 7 and 8. If the owner fails to notify the department that the improvements are occupied or in use, the owner is~~

~~subject to a penalty equal to 0.667% of the amount of the tax due as determined under subsection (4).~~

~~—— (b) Upon completion of the appraisal, the department shall notify the owner of the appraisal.~~

~~—— (c) If the owner of the improvements is dissatisfied with the appraisal, the procedures for review and appeal described in 15-7-102(3) through (6) apply.~~

~~—— (3) The department shall prepare a special assessment for property appraised under subsection (2), and the county treasurer shall determine the amount of taxes that are due under subsection (4).~~

(2) (A) THE OWNER OF IMPROVEMENTS DESCRIBED IN SUBSECTION (1) SHALL, WITHIN 30 DAYS OF THE APPLICABLE DATE REFERRED TO IN SUBSECTION (1), NOTIFY THE DEPARTMENT, ON A FORM PRESCRIBED BY THE DEPARTMENT, THAT THE PROPERTY EXISTS AND IS CAPABLE OF BEING OCCUPIED OR USED.

(B) IF THE OWNER FAILS TO NOTIFY THE DEPARTMENT AS REQUIRED UNDER SUBSECTION (2)(A), THE OWNER IS SUBJECT TO A PENALTY EQUAL TO 0.667% OF THE AMOUNT OF TAX DUE AS DETERMINED UNDER SUBSECTION (5).

(3) (A) AS SOON AS PRACTICAL AFTER RECEIVING THE NOTICE UNDER SUBSECTION (2), THE DEPARTMENT SHALL APPRAISE THE IMPROVEMENTS AS PROVIDED IN TITLE 15, CHAPTERS 7 AND 8.

(B) THE DEPARTMENT SHALL, WITHIN 30 DAYS OF THE APPRAISAL, MAIL THE OWNER A NOTICE OF APPRAISAL. THE NOTICE MUST CONTAIN THE INFORMATION DESCRIBED IN 15-7-102(1)(C).

(C) THE NOTICE MUST ADVISE THE OWNER THAT IN ORDER TO BE ELIGIBLE FOR A REFUND OF TAXES FROM AN APPEAL OF THE APPRAISAL, THE OWNER IS REQUIRED TO PAY THE TAXES UNDER PROTEST AS PROVIDED IN 15-1-402.

(D) ANY MISINFORMATION PROVIDED IN THE NOTICE DOES NOT AFFECT THE VALIDITY OF THE NOTICE AND MAY NOT BE USED AS A BASIS FOR A CHALLENGE OF THE LEGALITY OF THE NOTICE.

(4) IF THE OWNER OF THE IMPROVEMENTS IS DISSATISFIED WITH THE APPRAISAL, THE PROCEDURES FOR REVIEW AND APPEAL DESCRIBED IN 15-7-102(3) THROUGH (6) APPLY.

~~(4)(5)~~ To determine the amount of tax due for improvements described in subsection (1), the department shall multiply the taxable value of the new improvement by the total number of mills levied on the property for the current fiscal year and multiply the product by the ratio that the number of days in the calendar year that the property will be in taxable status bears to 365. The county treasurer shall add to the amount due the penalty, if any, under subsection (2).

~~(5)(6)~~ (a) Except as provided in subsection ~~(5)(b)~~ ~~(6)(B)~~, upon determining the amount of tax due, the county treasurer shall notify the person to whom the tax is assessed, in the same manner as notification is provided under 15-16-101(2), of the amount due, and the notification must state that the taxes and penalty, if any, are payable within 30 days after the notification is postmarked. Taxes imposed under this section are not

subject to the penalty and interest provisions under 15-16-102(2) and (3).

(b) If the department determines the amount of the taxes due on the improvements after ~~October 1~~ THE SECOND MONDAY IN AUGUST of the tax year, the notification must state that the taxes are payable by May 31 of the following year.

~~(6)(7)~~ UPON receipt of taxes imposed under this section, the county treasurer shall distribute the money in the same manner as property taxes are distributed. Upon receipt of money, a governing body may amend its budget, as provided in 7-6-4006, and a school district may amend its budget, as provided in 20-9-161.

~~(7)(8)~~ Improvements that are assessed and taxed under this section must be included in the tax base as newly taxable property, as provided in 15-10-420, ~~in the fiscal year beginning July 1 that follows assessment and taxation of the improvements under this section.~~ IMPROVEMENTS THAT ARE ASSESSED ON OR BEFORE JULY 1 OF THE CURRENT TAX YEAR MUST BE INCLUDED IN THE ESTIMATE OF THE TOTAL TAXABLE VALUE OF NEWLY TAXABLE PROPERTY FOR THE PURPOSES OF 15-10-202(1) FOR THE CURRENT TAX YEAR. IMPROVEMENTS ASSESSED AFTER JULY 1 OF THE CURRENT TAX YEAR MUST BE INCLUDED IN THE ESTIMATE OF THE TOTAL TAXABLE VALUE OF NEWLY TAXABLE PROPERTY IN THE FOLLOWING TAX YEAR.

~~(8)(9)~~ This section does not apply to:

(a) improvements described in subsection (1) if the market value of the improvements is less than ~~\$20,000~~ \$100,000; OR

(b) remodeling of OR ADDITIONS TO EXISTING improvements ~~if there is no expansion to the exterior dimensions of the existing improvements as a result of the remodeling; or~~

~~———(c) improvements to centrally assessed property.~~

(10) THE PROVISIONS OF THIS SECTION DO NOT PROHIBIT THE DEPARTMENT FROM ASSESSING AND TAXING IMPROVEMENTS CLASSIFIED UNDER 15-6-134 THAT ARE UNDER CONSTRUCTION ON JANUARY 1 OF THE TAX YEAR. THE IMPROVEMENTS MUST BE VALUED BASED UPON THE PERCENTAGE OF COMPLETION OF THE CONSTRUCTION ON THAT DATE.

**NEW SECTION. Section 2. Reduction in property tax for destruction of property -- refund.** (1) The department shall, upon showing of reasonable cause by a taxpayer that some or all of the improvements on the taxpayer's real property have been demolished or destroyed to such an extent that the improvements have been rendered unsuitable for their previous use, adjust the taxable value on the improvements, accounting for the demolition or destruction of the improvements.

(2) The county treasurer shall adjust the tax due and payable for the current year on the property under 15-16-102 as provided in subsection (3) of this section.

(3) To determine the amount of tax due for destroyed property, the county treasurer shall:

(a) multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property existed before destruction bears to 365; and

(b) multiply the amount of tax levied and assessed on the adjusted taxable value of the property for the remainder of the year by the ratio that the number of days remaining in the year after the destruction of the property bears to 365.

(4) (a) If the improvements are demolished or destroyed after the property taxes have been paid for the current year, the taxpayer is entitled to a refund of the amount of tax paid in excess of the adjusted amount required by subsection (3).

(b) The refund must be made as provided for in 15-16-603 through 15-16-605.

(5) This section does not apply to delinquent taxes owed on the demolished or destroyed improvements for a year prior to the year in which the property was destroyed.

(6) A taxpayer receiving a reduction in taxes on improvements under this section shall notify the department if the taxpayer replaces the demolished or destroyed improvements in the same tax year that the improvements were demolished or destroyed. The tax on the improvements replacing the demolished or destroyed improvements is determined as provided in [section 1].

**Section 3.** Section 7-6-4006, MCA, is amended to read:

**"7-6-4006. Appropriation power -- requirements.** (1) A governing body may appropriate money and provide for the payment of the debts and expenses of the local government.

(2) Money may not be disbursed, expended, or obligated except pursuant to an appropriation for which working capital is or will be available.

(3) Appropriations may be adjusted according to procedures authorized by the governing body for:

(a) debt service funds for obligations related to debt approved by the governing body;

(b) trust funds for obligations authorized by trust covenants;

(c) any fund for federal, state, local, or private grants and shared revenue accepted and approved by the governing body;

1 (d) any fund for special assessments approved by the governing body;

2 (e) the proceeds from the sale of land;

3 (f) any fund for gifts or donations; ~~and~~

4 (g) money borrowed during the fiscal year; and

5 (h) any revenue distributed under [section 1(7)].

6 (4) The governing body may amend the budget during the fiscal year by conducting public hearings at  
7 regularly scheduled meetings. Budget amendments providing for additional appropriations must identify the fund  
8 reserves, unanticipated revenue, or previously unbudgeted revenue that will fund the appropriations."

9  
10 **Section 4.** Section 15-8-201, MCA, is amended to read:

11 **"15-8-201. General assessment day.** (1) The department shall, between January 1 and the first  
12 Monday of August in each year, ascertain the names of all taxable inhabitants and assess all property subject  
13 to taxation in each county.

14 (2) The department shall assess property to:

15 (a) the person by whom it was owned or claimed or in whose possession or control it was at midnight  
16 of the preceding January 1; or

17 (b) except in the case of land splits, the new owner if the provisions of 15-7-304 have been met and the  
18 transfer certificate has been received and processed prior to determining the taxes that are due as provided in  
19 15-10-305(2).

20 (3) The department shall also ascertain and assess all mobile homes arriving in the county after  
21 midnight of the preceding January 1.

22 (4) A mistake in the name of the owner or supposed owner of real property does not invalidate the  
23 assessment.

24 (5) The procedure provided by this section does not apply to:

25 (a) motor vehicles;

26 (b) motor homes, travel trailers, and campers;

27 (c) watercraft;

28 (d) livestock;

29 (e) property defined in 61-1-104 as special mobile equipment that is subject to assessment for personal  
30 property taxes on the date that application is made for a special mobile equipment plate;

- 1 (f) mobile homes and manufactured homes held by a distributor or dealer as stock in trade; ~~and~~  
2 (g) property subject to the provisions of 15-16-203; and  
3 (h) improvements that are subject to the provisions of [section 1]."  
4

5 ~~Section 5. Section 15-10-420, MCA, is amended to read:~~

6 ~~"15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a~~  
7 ~~governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount~~  
8 ~~of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3~~  
9 ~~years. The maximum number of mills that a governmental entity may impose is established by calculating the~~  
10 ~~number of mills required to generate the amount of property tax actually assessed in the governmental unit in~~  
11 ~~the prior year based on the current year taxable value, less the current year's value of newly taxable property,~~  
12 ~~plus one-half of the average rate of inflation for the prior 3 years.~~

13 ~~(b) A governmental entity that does not impose the maximum number of mills authorized under~~  
14 ~~subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between~~  
15 ~~the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill~~  
16 ~~authority carried forward may be imposed in a subsequent tax year.~~

17 ~~(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate~~  
18 ~~of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using~~  
19 ~~the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.~~

20 ~~(2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional~~  
21 ~~levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including~~  
22 ~~newly taxable property.~~

23 ~~(3) For purposes of this section, newly taxable property includes:~~

24 ~~(a) annexation of real property and improvements into a taxing unit;~~

25 ~~(b) construction, expansion, or remodeling of improvements;~~

26 ~~(c) transfer of property into a taxing unit;~~

27 ~~(d) subdivision of real property; and~~

28 ~~(e) transfer of property from tax-exempt to taxable status.~~

29 ~~(4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the~~  
30 ~~release of taxable value from the incremental taxable value of a tax increment financing district because of:~~

~~1 (i) a change in the boundary of a tax increment financing district;~~  
~~2 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or~~  
~~3 (iii) the termination of a tax increment financing district.~~  
~~4 (b) For the purpose of subsection (3)(d), the subdivision of real property includes the first sale of real~~  
~~5 property that results in the property being taxable as class four property or as nonagricultural land as described~~  
~~6 in 15-6-133(1)(c).~~  
~~7 (c) For the purposes of this section, newly taxable property does not include an increase in appraised~~  
~~8 value of land that was previously valued at 75% of the value of improvements on the land, as provided in~~  
~~9 15-7-111(4) and (5), as those subsections applied on December 31, 2001.~~  
~~10 (5) Subject to subsection (8), subsection (1)(a) does not apply to:~~  
~~11 (a) school district levies established in Title 20; or~~  
~~12 (b) the portion of a governmental entity's property tax levy for premium contributions for group benefits~~  
~~13 excluded under 2-9-212 or 2-18-703.~~  
~~14 (6) For purposes of subsection (1)(a), taxes imposed do the amount of property tax actually assessed~~  
~~15 does not include:~~  
~~16 (a) net or gross proceeds taxes received under 15-6-131 and 15-6-132; or~~  
~~17 (b) taxes collected on improvements under the provisions of [section 1].~~  
~~18 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity may~~  
~~19 increase the number of mills to account for a decrease in reimbursements.~~  
~~20 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for~~  
~~21 purposes of 15-10-107, 20-9-331, 20-9-333, 20-9-360, 20-25-423, and 20-25-439. However, the number of mills~~  
~~22 calculated by the department may not exceed the mill levy limits established in those sections. The mill~~  
~~23 calculation must be established in whole mills. If the mill levy calculation does not result in a whole number of~~  
~~24 mills, then the calculation must be rounded up to the nearest whole mill.~~  
~~25 (9) (a) The provisions of subsection (1) do not prevent or restrict:~~  
~~26 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;~~  
~~27 (ii) a levy to repay taxes paid under protest as provided in 15-1-402; or~~  
~~28 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326.~~  
~~29 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes~~  
~~30 actually assessed in a subsequent year.~~

~~———— (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating funds by a county or municipality during that time.~~

~~———— (11) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."~~

**Section 5.** Section 15-15-102, MCA, is amended to read:

**"15-15-102. Application for reduction in valuation.** The valuation of property may not be reduced by the county tax appeal board unless either the taxpayer or the taxpayer's agent makes and files a written application for reduction with the county tax appeal board. The application for reduction may be obtained at the local appraisal office or from the county tax appeal board. The completed application must be submitted to the county clerk and recorder. The date of receipt is the date stamped on the appeal form by the county clerk and recorder upon receipt of the form. The county tax appeal board is responsible for obtaining the applications from the county clerk and recorder. The application must be submitted on or before the first Monday in June or 30 days after receiving either a notice of classification and appraisal, including notice of appraisal under [section 1], or a determination after review under 15-7-102(3), including review of an appraisal under [section 1], from the department, whichever is later. If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal board is effective for the year in which the request for review was filed with the department. The application must state the post-office address of the applicant, specifically describe the property involved, and state the facts upon which it is claimed the reduction should be made."

**Section 6.** Section 15-16-102, MCA, is amended to read:

**"15-16-102. Time for payment -- penalty for delinquency.** Unless suspended or canceled under the provisions of Title 15, chapter 24, part 17, and except as provided in [section 1(6)(B)], all taxes levied and assessed in the state of Montana, except assessments made for special improvements in cities and towns payable under 15-16-103, are payable as follows:



(1) One-half of the taxes are payable on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one-half are payable on or before 5 p.m. on May 31 of each year.

(2) ~~Unless~~ Except as provided in [section 1(6)(B)], unless one-half of the taxes are paid on or before 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, the amount payable is delinquent and draws interest at the rate of 5/6 of 1% a month from and after the delinquency until paid and 2% must be added to the delinquent taxes as a penalty.

(3) ~~All~~ Except as provided in [section 1], all ~~ALL~~ taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw interest at the rate of 5/6 of 1% a month from and after the delinquency until paid, and 2% must be added to the delinquent taxes as a penalty.

(4) (a) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.

(b) If taxes on property qualifying under the low-income property tax assistance provisions of 15-6-134(1)(c) and 15-6-191 are paid within 20 calendar days of the date on which the taxes are due, the taxes may be paid without penalty or interest. If a tax payment is made later than 20 days after the taxes were due, the penalty must be paid and interest accrues from the date on which the taxes were due.

(5) (a) A taxpayer may pay current year taxes without paying delinquent taxes. The county treasurer shall accept a partial payment equal to the delinquent taxes, including penalty and interest, for one or more full tax years if taxes for both halves of the current tax year have been paid. Payment of taxes for delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of taxes for the current tax year is not a redemption of the property tax lien for any delinquent tax year.

(b) A payment by a co-owner of an undivided ownership interest that is subject to a separate assessment otherwise meeting the requirements of subsection (5)(a) is not a partial payment.

(6) The penalty and interest on delinquent assessment payments for specific parcels of land may be waived by resolution of the city council. A copy of the resolution must be certified to the county treasurer.

(7) If the department revises an assessment that results in an additional tax of \$5 or less, an additional tax is not owed and a new tax bill does not need to be prepared.

(8) The county treasurer may accept a partial payment of centrally assessed property taxes as provided in 76-3-207."

**Section 7.** Section 15-16-603, MCA, is amended to read:

**"15-16-603. Refund of taxes -- limitations on refunds.** (1) Subject to the provisions in subsections (2) and (3), a board of county commissioners shall order a refund:

(a) on a tax, penalty, interest, or cost paid more than once or erroneously or illegally collected if an appeal pursuant to 15-1-402 was not available;

(b) on a tax paid for which a refund is allowed under 15-16-612, ~~or 15-16-613, or [section 2]~~;

(c) on a tax, penalty, or interest collected as a result of an error in the description or location of real property or improvements or for duplicate taxes paid as determined by the department of revenue;

(d) on net or gross proceeds tax, or centrally assessed property tax, ~~or local government severance tax, penalty, or interest~~ when the department of revenue notifies the board of county commissioners of an assessment revision completed pursuant to 15-8-601;

(e) upon entry of a decision either by the district court or by the state tax appeal board under 15-2-306 that has not been appealed to a higher court; or

(f) on a decision that a refund is payable as a result of a taxpayer prevailing in a motor vehicle tax or fee proceeding under 15-15-201.

(2) The taxpayer shall prove that a refund is due under subsection (1)(a) or (1)(b).

(3) (a) A refund may not be granted under subsection (1)(a) or (1)(b) unless the taxpayer or a representative of the taxpayer files a written claim with the board of county commissioners within 10 years after the date when the second half of the taxes would have become delinquent if the taxes had not been paid.

(b) The refund required under subsection (1)(c) must be made for 5 tax years or for the duration of the error, whichever period is shorter.

(c) A refund may not be made under subsection (1)(c) unless the taxpayer allowed the department of revenue access to the taxpayer's property for the purposes of appraising the property."

**Section 8.** Section 20-9-161, MCA, is amended to read:

**"20-9-161. Definition of budget amendment for budgeting purposes.** As used in this title, unless the context clearly indicates otherwise, the term "budget amendment" for the purpose of school budgeting means an amendment to an adopted budget of the district for the following reasons:

(1) an increase in the enrollment of an elementary or high school district that is beyond what could reasonably have been anticipated at the time of the adoption of the budget for the current school fiscal year

1 whenever, because of the enrollment increase, the district's budget for any or all of the regularly budgeted funds  
2 does not provide sufficient financing to properly maintain and support the district for the entire current school  
3 fiscal year;

4 (2) the destruction or impairment of any school property necessary to the maintenance of the school,  
5 by fire, flood, storm, riot, insurrection, or act of God, to an extent rendering school property unfit for its present  
6 school use;

7 (3) a judgment for damages against the district issued by a court after the adoption of the budget for  
8 the current year;

9 (4) an enactment of legislation after the adoption of the budget for the current year that imposes an  
10 additional financial obligation on the district;

11 (5) the receipt of:

12 (a) a settlement of taxes protested in a prior school fiscal year;

13 (b) taxes from a prior school fiscal year as the result of a tax audit by the department of revenue or its  
14 agents;

15 (c) delinquent taxes from a prior school fiscal year; ~~and~~

16 (d) any revenue distributed under [section 1(7)]; and

17 (e) a determination by the trustees that it is necessary to expend all or a portion of the taxes received  
18 under subsection (5)(a), (5)(b), or (5)(c) for a project or projects that were deferred from a previous budget of  
19 the district; or

20 (6) any other unforeseen need of the district that cannot be postponed until the next school year without  
21 dire consequences affecting the safety of the students and district employees or the educational functions of the  
22 district."

23  
24 **Section 9.** Section 61-3-701, MCA, is amended to read:

25 **"61-3-701. Out-of-state vehicles used in gainful occupation to be registered -- reciprocity. (1)**

26 Before a motor vehicle that is registered in another jurisdiction may be operated on the highways of this state  
27 for hire, compensation, or profit or before the owner or user of the vehicle uses the vehicle if the owner or user  
28 is engaged in gainful occupation or business enterprise in the state, including highway work, the owner of the  
29 vehicle shall register the vehicle at the office of a county treasurer or an authorized agent of the department.  
30 Upon satisfactory evidence of ownership submitted to the county treasurer or the department's authorized agent

1 and the payment of fees in lieu of taxes or registration fees, if appropriate, as required by ~~15-8-201~~, 15-8-202,  
2 15-24-301, 61-3-529, 61-3-537, or 61-3-560 and 61-3-561, the treasurer or authorized agent shall enter the  
3 vehicle for registration purposes only on the electronic registry maintained by the department under 61-3-101.

4 (2) Upon payment of the fees or taxes, the treasurer or the department's authorized agent shall issue  
5 to the vehicle owner a registration receipt and the proper license plates or other identification markers. The  
6 license plates or identification markers must at all times be displayed upon the vehicle when operated or driven  
7 upon roads and highways of this state during the registration period indicated on the receipt.

8 (3) The registration receipt does not constitute evidence of ownership but must be used only for  
9 registration purposes. A Montana certificate of title may not be issued for a vehicle registered under this section.

10 (4) This section is not applicable to a vehicle covered by a valid and existing reciprocal agreement or  
11 declaration entered into under Montana law."  
12

13 **NEW SECTION. SECTION 10. PERFORMANCE OF ASSESSMENT AND TAXATION.** IT IS THE INTENT OF THE  
14 LEGISLATURE THAT THE ASSESSMENT AND TAXATION OF PROPERTY REQUIRED UNDER [SECTION 1] BE CONDUCTED WITH  
15 EXISTING EMPLOYEES AND WITHIN EXISTING LEVELS OF FUNDING.  
16

17 **NEW SECTION. Section 11. Codification instruction.** (1) [Section 1] is intended to be codified as  
18 an integral part of Title 15, chapter 16, part 2, and the provisions of Title 15, chapter 16, part 2, apply to [section  
19 1].

20 (2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 16, part 6, and the  
21 provisions of Title 15, chapter 16, part 6, apply to [section 2].  
22

23 **NEW SECTION. Section 12. Applicability.** [This act] applies to property tax years beginning after  
24 December 31, 2005.  
25

- END -